



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT

Division of Economic Support
Bureau of Welfare Initiatives

**TO: Economic Support Supervisors
Economic Support Lead Workers
Training Staff
FSET Administrative and Provider Agencies
Child Care Coordinators
W-2 Agencies**

BWI OPERATIONS MEMO

No.: 99-59

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Non W-2 [X] W-2 [X] CC [X]

PRIORITY: Medium

**FROM: Stephen M. Dow
Program Implementation Team
Policy Analysis and Program Implementation Section**

SUBJECT: WRITE OFF/ADJUSTMENT POLICY AND WRITE OFF FORM

CROSS REFERENCE: Child Day Care Manual
AFDC Handbook
Food Stamp Handbook
Medical Assistance Handbook
W-2 Manual
Income Maintenance Manual

EFFECTIVE DATE: July 1, 1999

PURPOSE

This memo provides information and guidance to local agencies concerning writing off overpayment claims for Food Stamps (FS), Aid to Families with Dependent Children (AFDC), Wisconsin Works (W-2), Job Access Loans (JAL), Child Care (CC) recipient overpayments, and Medical Assistance (Medicaid, MA).

This memo also provides information on the write off form.

BACKGROUND

Overpayments include benefits issued where a person, household, or assistance group was deemed ineligible to receive the benefits.

Cost effectiveness in collecting claims is essential to proper claims management. Claims may be written off when it is no longer cost effective to pursue collection efforts. Local agencies are asked to recommend each claim write off or adjustment to the Department's Public Assistance Collection Unit (PACU) for processing.

Workers may process adjustments for 60 days after the claim was established. However, after 60 days workers should not process their own adjustments; they must be submitted to the PACU. Workers must submit all write off of overpayment claims to the PACU.

Adjustments

Claim adjustments occur when an overpayment was entered into the Client Assistance for Re-employment and Economic Support (CARES) system incorrectly. Adjustments affecting the client's original claim notification amount, must receive a revised notice of overpayment. When submitting adjustments, attach the revised notice.

WRITE OFF/ADJUSTMENT FORM

The write off /adjustment form and the policies are designed to simplify recommending claims to be written off. Agencies must submit every write off and adjustment using this form DES-11439-E. Completion instructions are on the back of the form. When there is missing information or documentation not attached to the form, the form will be returned to the agency unprocessed.

The write off/adjustment form DES-11439-E may be obtained from the DES Forms Repository (<http://workweb.dwd.state.wi.us/Notespub/bwiforms/default.htm>) or Barb Albrecht.

201 E Washington Avenue
BMO Room 171
Madison, Wisconsin 53703

Phone: 608-266-8022
Fax 608-267-3240
Email: albrechba@dwd.wi.us

Send your write off recommendation to:

Division of Unemployment Insurance
Public Assistance Collection Unit
PO Box 8938
Madison, Wisconsin 53708-8938

CLAIMS WRITE OFF POLICY

A write off should be requested when a valid debt has been determined to be uncollectable or meets the write off criteria stated below.

Participating Households

No write off will be approved for participating households except where debts determined to be legally uncollectable (various collection efforts exhausted) or where collection action has been barred (e.g. bankruptcy cases).

Nonparticipating Households

These 4 conditions apply to all debts prior to request for write off:

1. Reasonable efforts must be made to collect the debt **or** a determination of uncollectability made prior to collection efforts attempted.
2. Any debt written off can be re-established at any time and collected at a later date.
3. Each recommendation must include all information requested on the write off request form and must be signed by the worker and supervisor.
4. Each write off is subject to final approval of the supervisor of the Public Assistance Collection Unit or Collection Section Chief.

Write Off Criteria

1. Claims for a debtor who is protected by the Federal Bankruptcy Code provisions where it is believed the debt will be discharged. Proper bankruptcy papers or signed verification of the valid bankruptcy must be included with request.
2. Claims for deceased debtor. Copies of death certificates or local verification must be included. At least one inquiry should be made regarding proceeds in probate prior to referral or write off.
3. Claims found to be invalid due to a final (all appeals exhausted) fair hearing decision, administrative disqualification hearing, or court determination. The request must include the fair hearing number.
4. Claims that cannot be substantiated from the case file. A written explanation from local agency is required and the agency manager must sign it.
5. Claims where collection efforts are exhausted and meet these additional criteria:
 - a. Outstanding claim balances of **\$24 or less**:

These may be written off when the outstanding claim balance has been delinquent for more than 90 days. Delinquency is defined as "past due" and can be derived from the Three Dunning Notice Policy.
 - b. Outstanding claim balances of **\$25 to \$499**:
 1. 3 past due notices have been sent.
 2. The claim has been referred for consideration of tax offset. (If tax offset is successful, the account should remain open for a period of 3 years, or until the claim is paid in full.)
 3. The claim has been delinquent for 3 years.
 - c. Claims from **\$500 to \$4,999**:
 1. 3 past due notices have been sent.
 2. The claim has been referred for consideration of tax offset. (If tax offset is successful, the account should remain open for a period of 3 years, or until the claim is paid in full.)
 3. The case is considered for collection agency referral.
 4. The claim is delinquent for 5 years.
 - d. Claims over **\$5,000**:
 1. 3 past due notices have been sent.
 2. The claim has been referred for consideration of tax offset. (If tax offset is successful, the account should remain open for a period of 3 years, or until the claim is paid in full.)
 3. The case is considered for collection agency referral.
 4. The claim is delinquent for 10 years.

For cases where inadequate information has been provided, the Public Assistance Collection Unit will notify the local agency what additional information is required prior to write off approval.

Local agencies must monitor the report "Claims to be Terminated Report" (BV112RA). This report will assist local agencies in requesting a write off for particular delinquent claims.